

Strategy #5

Ensure that financial and regulatory incentives for mixed-income housing are effective.

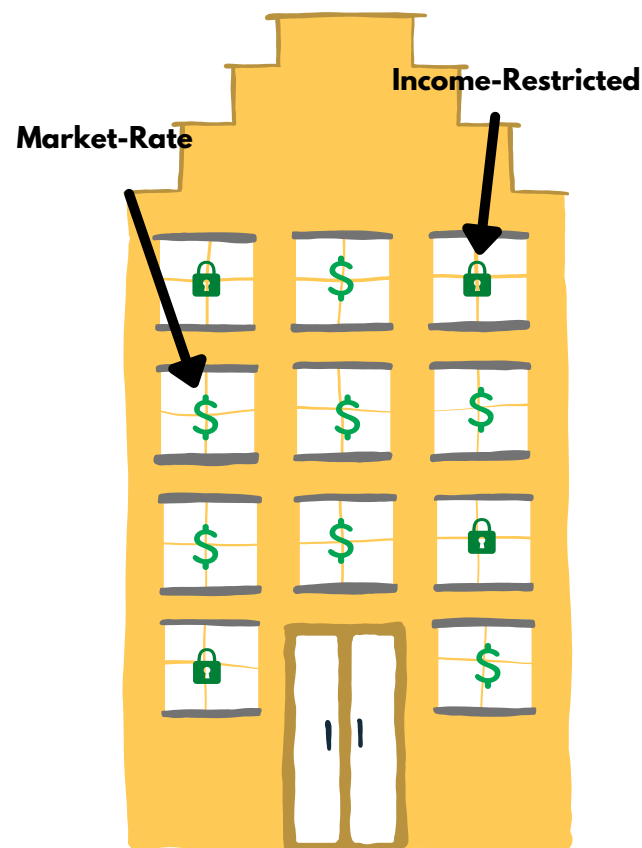
This strategy seeks to evaluate the city's existing incentives for affordable housing for effectiveness.

While increased production of market-rate housing is an essential part of the Housing Action Plan, the housing market in Federal Way provides few options that are affordable to very low-income individuals and families, including income-qualified units.

The city already has a variety of policy and code provisions in place to encourage the development of affordable housing designated for income-qualified households. These include:

- Mandatory inclusionary zoning that requires developments with 25 units or more provide 5% of rental units as affordable for households making 50% of the AMI (Area Median Income).
- An optional density bonus that allows one bonus market-rate unit for each affordable unit included in the project, up to 10% above the maximum density of the zone.
- A Multifamily dwelling unit limited property tax exemption (also known as MFTE) program is eligible in the CC-C and CC-F zones for multifamily development providing at least 20% of the units as affordable housing.

The implementation of these tools has not been regularly evaluated or monitored for efficacy.



Benefits

- Enables affordable housing development that may not currently be feasible.
- Ensures affordability as the city grows.
- Effective mixed-income incentives will build community cohesion.

Actions & Implementation

This is a medium to long term (3-7+ year) strategy.

- The city should review its existing program of incentives to examine effectiveness.
 - Monitor the income-qualified units created by these provisions.
 - Conduct a study to evaluate the impacts of the existing mixed-income provisions on multifamily development.
 - Periodically evaluate provisions and implement changes as necessary.